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SUPPLEMENT TO REPORT NO.



Confusion Within Communist Cells

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1. Confusion is rempant within the Communist cells in Slovenia; the "organizational machine" has collapsed entirely, and the leaders respond evasively even to important political questions put to them. They excuse the Tito-Soviet rift by claiming that Communism is identical in Yugoslavia and the Soviet Union and that there is only a "minor difference" between the two nations. When these leaders are asked as to why there are so many Communists imprisoned in Yugoslavia, the answer is that they have been "unfaithful to Communist principles" and it is necessary to segregate such people and "purify" them of their past errors. The purification can be conducted only by select followers of Tito. Actually a purge of undesirables is in effect, with liquidation the fate of many.

Yugoslav Deportees in Russia Forming Troops

- 2. Tito now regrets having followed Moscow's suggestions to deport undesirable Communists and "reactionaries" (the latter number more than 10,000) to forced labor in the Soviet Union. Today, in all Soviet concentration and labor camps the Yugoslavs are being classified in two distinct groups. The older Yugoslav Communists, who gained the displeasure of Tito, are placed in groups "A" and "B". Group "A" is looked upon as an "elite class" and its members are automatically absolved of all previous offenses. Into group "B" are placed Communists who have committed crimes which did not necessarily violate any Communist ideal, as such. Within group "A" cadres of future officers are organized, while cadres of lower ranking officers are formed in group "B".
- 3. Practically, this military selection of former Yugoslav Communists means that whereas the Soviets are preparing volunteer armed forces among the German prisoners of war, the personnel of Groups "A" and "B", mentioned above, will comprise the future officers and non-coms for the German troops. Other groups are being organized from the Yugoslav "reactionaries" who will then be formed into volunteer brigades.
- 4. Some escapees who crossed from Rumania into Yugoslavia confirm the above information regarding the formation of Yugoslav forces in the Soviet Union, and stated that these forces already number approximately 30,000 and may eventually reach 50,000.



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- 2 -

Cominform Ranks Gaining

- 5. It is apparent to visitors to Yugoslavia that Tito is losing followers who "with foresight" are embracing "Cominformism". The Cominformists have also begun a campaign of fear, and make promises reminicent of those made in 1941-42. They are devoting their greatest efforts to influencing the UDB and, of infiltration.
 - 6. Currently it is heard that the present situation in Yugoslavia resembles that
 of Czechoslovakia prior to Gottwald's coup d'etat.

 believes that such pronouncements are drastically exaggerated, but at the
 same time he emphasizes that he has witnessed many instances in which the
 Cominform has made definite inroads on the police system and armed forces.
 On the surface such infiltrations are not perceptible; nevertheless, they
 do reach high levels.
 - 7. As indicative of the recent surge of Cominformism,
 Tito's maneuver in sending Popovic (with a trade delegation) to Moscow. His
 likely mission is primarily to make various offers in order to effect at
 least a "lessening of Cominform activities" in Yugoslavia.

Cominformists Sabotaging Economy

- 8. The Yugoslav Government leadership is completely bewildered by its unusually critical economic situation. With skillful tactics Tito may be fortunate in pacifying the farming class which today is very disgruntled and dangerous. The forced sale of farm products had very poor results. Farmers of the most productive regions openly committed sabotage, not only in neglecting to plant and cultivate land, but also in refusing to submit to forced sale of their crops. The farmers campaign against increased farm production is backed by Cominformists.
- 9. A leading economist in Slovenia declared that the Cominform action, in this respect, follows exactly its pattern to sabotage the Marshall Plan in Western Europe. This economist further pointed out that in Srem, Vojvodina, and Sumadija (Serbia) sabotage is skillfully organized, and has become evident, even in the collective organizations. This Cominform action differs in various localities. In some places warped and mouldy seed is mixed with good seed, thereby decreasing its productive capacity. In others, diseases such as scarlatina are spread among pigs. Cows suffer from an unusually high incidence of hoof and mouth disease and salivary gland infections.
- 10. The same economist asserted that in some sections of Bosnia and Srem they discovered agents giving live-stock pieces of bread which had previously been soaked in the saliva of discased animals. Further, that in Slovenia chicken pox is spreading, which according to veternarians was surreptitiously imported into the country. The Tito regime is making every effort to prevent the propagandizing of such information for it foars panic and gives additional grounds for criticism to its enemics.

Cominform Plans

11. By such means the Cominform hopes to accomplish the following:





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- 3 -

- a. Compromise the Tito government and Yugoslav Communist Party leaders, thereby underline the Cominform claims that the Yugoslav Communist Party has deserted Marxism and Leninism.
- b. Reaffirm the validity of the principle that it is necessary to abolish the Kulaks, who are causing irreparable damage to the socialist economy of Yugoslavia.
- 12. All these problems are increasingly building up for Tito and his officials.

 Abnormal nervousness and confusion is apparent both in the government and in Communist cells and mass organizations. In this manner the Cominform has achieved success in the "cold war" within Yugoslavia itself, and they hope yet to accomplish more telling results than could be expected from any eventual invasion of Yugoslav territory by Soviet troops.

Tito Followers Look to America

- 13. The ground under Communism in Yugoslavia is entirely shaken. Tito followers are "without backbone" and are now beginning to think in terms of qualified loadership as well as the value of individual ideology. World revolution doesn't interest them since they realize that, with such action, they would only be "activating destiny in favor of the greatest reactionaries". They place all their hopes on America. Already they believe themselves to be the most reliable supporters of American doctrines, and comment, "we will bring Yugoslavia to the side of the mestern Powers, and without us this would never be possible". With this in mind they expect the mestern Powers to now devote great attention to them and in the end reward them for their "service".
- 14. Consorvative Yugoslavs expect a decision daily. They are convinced that the Communism of Moscow, like that of Belgrade, is due for a complete breakdown. The current confusion among Communists has noticeably encouraged anti-Communists, and has brought about a consolidation of political elements, which are prepared for eventual action. This evident movement has its effect on Communist cells. They are becoming increasingly less important, losing members and failing in party discipline. The general confusion is rapidly spreading throughout government administration, with a marked increase in corruption. This is true not only among the leaders, but also among low-level employees.
- 15. Public fear is patently on the wans. Friests are gaining the popularity both of the common man and high level personalities. Denunciations and suspicions have resulted; nevertheless, a new initiative has arisen to harass Cominformists and even Tito's faithful, who for any reason are vulnorable to vindictive attack. Cominformists have also taken advantage of vulnerable regime followers for thus they "legally" aid the expulsion of some officials who are obstructing the way to Cominform objectives. Mistrust is growing daily and is said to be particularly evident in Belgrade.

Economic Observation

16. As a result of Soviet and satellite sanctions against Yugoslavia and the general sabotage of farm production, the food situation has deteriorated seriously. People fear the approach of winter. Black market prices have soured very high, more so because rationed items are distributed with utter carelessness.



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25X1A2g

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- 17. Unemployment has increased recently, particularly among unspecialized office workers. This means not only being without income, but also without food ration cards, which is driving unfortunates to starvation. Employment cannot be found since the "karakteristika", itself, usually does not warrant it. Published statistics, however, do not reflect these conditions.
- 18. In the bureaus there is generally a lack of responsibility. People do not wish to accept responsible or better paid positions, because they are very much aware that, along with such a position, they accept not only responsibility for production but also for the fulfillment of all directives handed down by higher headquarters. In Yugoslavia the governing principle is that the individual is at fault and not the institution or the authorities.
- 19. For some weeks now a frantic effort to cut down trees has been observed.

 The country is in urgent need of certain materials; however, these can be purchased only by exporting the nation's critical resources. Following the crop failures the regime has turned as a last resort to the forest preserves. Great quantities of wood are now appearing in saw mills and other lumber industries. This is causing considerable dissatisfaction among the furmers because the woods are being ruined. Furthermore their manpower and animals are taken from their fields to aid in cutting down the forests.
- 20. A great shortage in hay and other fodder is already evident. Fruit crops, which are principally raised in eastern Slovenia and wore formerly very profitable, are this year considerably below normal in quality and quantity as a result of heavy, untimely rains. The grape crop was also almost completely ruined.
- 21. The peoples' health is desperately precarious as a result of a general organic disintegration and a complete dearth of medical products. Few doctor's prescriptions can be filled by the nationalized apothecaries.

